

Credit amendment

Effective May 21, the **Board of Governors of the Federal Reserve System** is amending its Regulation B (Equal Credit Opportunity) to cover credit arrangers such as real estate brokers, home builders, and automobile dealers.

The Board is extending the term "creditor" to include those who "regularly refer" applicants or prospective applicants to creditors. This extension would also cover those who select or offer to select creditors for people wishing to borrow money. Under the new amendment, creditors who don't actually lend money, but only make the arrangements would be subject to Regulation B's discrimination ban.

The **Federal Trade Commission's** (FTC) staff urged the Board to amend Regulation B because of their concern that real estate brokers could influence credit extension by participating in the application process. They cited a recent **Housing and Urban Development Dept.** study that "steering" by real estate brokers causes severe problems for minorities trying to obtain housing.

Although credit arrangers must follow Regulation B's discrimination ban, they do not have to follow its mechanical or procedural requirements for notices or recordkeeping. The amendment makes it clear that a creditor is not liable for Regulation B violations committed by other creditors—unless the creditor knew or had reasonable notice of the violation before becoming involved.

The amendment does not include persons whose only participation in a credit transaction involves honoring a credit card.

Details—*Federal Register*: April 23, page 23813. For further information write or call Dolores Smith, Division of Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551; telephone 202-452-2412.

Emission control warranties

July 6 is comment deadline on the **Environmental Protection Agency's** (EPA) proposal covering emission control system performance warranties. Emission control devices or systems include items such as catalytic converters, thermal reactors, or any other pollution control device installed in a motor vehicle.

An emission performance warranty would require a vehicle manufacturer to repair, at no cost to the owner, the emission control device or system of each vehicle which fails an EPA-approved emissions short test during the useful life (five years or 50,000 miles, whichever comes first) of a car or light duty truck. The short test is a quick (no more than five minutes) and reasonably accurate way of telling whether the engine is emitting pollutants. The warranty would apply only if the owner is subject to a legal penalty or sanction because of short test failure and has maintained the car or truck according to the manufacturer's written instructions.

Under the proposal, emission performance warranties would be applied to all 1980 and later model year vehicles for which a short test has been established. Before 24 months or 24,000 miles, the warranty would cover any part of the car which affects emissions. After this time period and up to the five-year or 50,000-mile limit, the warranty would cover only those items put on the car or light duty truck for pollution control. For example, a quick release electric assist choke on a carburetor would be covered for the full time period. However, a carburetor that goes bad after 24 months or 24,000 miles would not be fixed under the warranty unless the failure could be traced back to a manufacturers'/dealers' modification made solely or primarily for pollution control.

If a car or light truck fails the short test, and a consumer is under threat of penalty or sanction because of the failure,

the manufacturer would be required to put the car in condition to pass the test.

EPA expects the emission performance warranty to become an important part of future state and local emission inspection programs and an inducement towards improved maintenance. EPA says these two factors ("Inspection/Maintenance") represent the Clean Air Act strategy which ultimately has the greatest potential for ensuring that cars perform within emission standards.

Previous comments on the warranty proposal reflect divided opinions. Many individuals and repair facility operators were opposed to the emission performance warranty, saying that the program would create unnecessary governmental meddling in private affairs and result in higher prices for new cars. However, the **League of Women Voters**, state environmental agencies, and a few individual commenters favored the program for its environmental and consumer protection benefits.

Public hearings on this subject will be held starting at 9 am on the following dates:

May 22 (and May 23 if there is enough interest)
General Accounting Office Auditorium
441 G St., NW
Washington, DC

May 31 (and June 1 if there is enough interest)
Ascot House, Royal Court Room
1100 South Michigan St.
Chicago, IL

Details—*Federal Register*: April 20, page 23784. Send comments to Central Docket section (A-130), Environmental Protection Agency, 401 M St., SW, Washington, DC 20460. Requests to speak at a hearing will be handled on a first-come, first-served basis. Those wishing to speak should send a discussion outline to Director, Mobile Source Enforcement Division (EN-340), at the above address. For further information, write or call David Feldman, Mobile Source Enforcement Division (EN-340); telephone 202-755-0298.

Noisy planes

June 25 is comment deadline on the **Federal Aviation Administration's** (FAA) proposed amendments to the aircraft operating noise limits rule. The proposal would require US airlines to regularly file plans for complying with the Agency's noise reduction schedule for jet planes.

FAA says the size and complexity of airline operations make it impossible to keep track of an airline's progress in complying with the Agency's noise reduction requirements. "The reports are intended to correct this by providing reliable, up-to-date information on both the present status and future plans for compliance." If the proposed rule is adopted, airlines would have to turn in a first report 90 days after the new requirement becomes effective.

FAA's noise standards, which have been required of all new turbojet aircraft certificated after 1969 or produced after 1973, range from 93 to 108 effective perceived noise decibels (EPNdB), depending on aircraft weight. These levels are as much as 10 EPNdB below those of older jets and would cut noise approximately in half.

In December 1976, FAA adopted regulations prohibiting US domestic carriers from operating any jet over 75,000 pounds which doesn't meet these noise standards after Jan. 1, 1985. Compliance deadlines are set up in three steps; 25 percent of all narrow-body four-engine jets by Jan. 1, 1981, 50 percent by Jan. 1, 1983, and 100 percent by 1985. For all other jets, the schedule calls for 50 percent compliance by 1981 and 100 percent by 1983.

FAA is also proposing to allow use of planes such as the Boeing 707 and DC-8 if they are refitted with high technology engines or otherwise modified and brought into compliance with the latest noise standards.

The Air Transport Association of America (ATA) has petitioned FAA for elimination of the 1981 compliance deadline. ATA contends that the 1981 deadline would not significantly reduce aircraft noise FAA is asking for comment on this petition as well as on the notice of proposed rulemaking.

Details—*Federal Register*: April 26, pages 24778 and 24782. Send comments on the proposal to Federal Aviation Administration, Office of the Chief Counsel, Attn: Rules Docket (AGC-24), Docket No. 18955, 800 Independence Ave., SW, Washington, DC 20591. Send comments on the ATA petition to address above using Docket No. 18924. For more information on either item write or call Richard Tedrick, Noise Policy and Regulations Branch (AEE-110), also at FAA; telephone 202-755-9027.

Beef Board

During June five public hearings will be held by the Agriculture Dept. to consider what kind of research and promotion program should be developed under the Beef Research and Information Act of 1976.

An industry proposal submitted by the Beferendum Advisory Group would establish a nationally coordinated program of research and information to develop and improve markets for cattle, beef, and beef products. The program would be financed by an assessment on each producer of up to one half of one percent of the value of each animal slaughtered, with provisions for producer refunds. The assessment would be limited to two tenths of one percent during the program's first two years. Program approval would require a majority vote by a national referendum of beef producers.

After the referendum an administering **Beef Board** composed of up to 68 producer members would be appointed by the Secretary of Agriculture from nominations submitted by certified organizations.

Agriculture would like to receive consumer comment during the hearings since its recommended order will be based on public hearing testimony. Although no written comments will be accepted before the hearings, interested parties can comment in writing before the final order is issued.

NOTE: The **Community Nutrition Institute**, a nonprofit, public interest organization specializing in food and nutrition issues, proposed that the Secretary appoint five consumer advisors to the Beef Board and that these persons be knowledgeable about nutrition and food.

All public hearings will begin at 9 am and may be continued beyond one day if necessary. Dates and locations are as follows:

June 12—Dallas, TX
Earle Cabell Federal Building
Room 7A23
1100 Commerce Street

June 19—Pittsburgh, PA
Federal Building
Room 1112
1000 Liberty Avenue

June 21—Hapeville, GA
Ramada Inn
845 N. Central Avenue
(near Atlanta airport)

June 26—Reno, NV
Scrugham Engineering Mines Building
Room 101
University of Nevada

June 28—Des Moines, IA
Henry A. Wallace Building Auditorium
East 9th and Grand Avenue

Details—*Federal Register*: April 23, page 23858. For more information write or call Ralph Tapp, Livestock, Poultry, Grain and Seed Division, AMS, Agriculture Dept., Washington, DC 20250; telephone 202-447-3970.

Estrogen labeling

June 18 is comment deadline for a **Food and Drug Administration (FDA)** proposal amending the regulation requiring patient labeling for estrogenic drug products.

FDA's present regulations require persons dispensing or administering prescription estrogen drugs to give patients package inserts containing written information as to why the drug is being prescribed, the risks involved, and possible side effects.

The proposal would remove insert requirements when estrogens are prescribed for males. It would also allow patients to receive estrogens before being given the insert information if they are unable to read or understand because of impaired consciousness.

FDA is taking this action in response to a number of inquiries and comments from doctors and pharmacists since the final rule requiring patient labeling for estrogenic drugs became effective.

FDA agrees with the commenters that the present estrogen regulation and guideline text are directed to women and intended to advise them of the drug's risks and benefits and therefore are less appropriate for male patients. Another factor in FDA's proposal is that women receive estrogenic therapy mainly for menopausal problems or cancer treatment. Generally, males are given estrogens only for treatment of cancer. FDA feels that in such cases the nature of the drug and the patient's illness are information that doctors may wish to keep from some male patients. The proposed change would not prohibit doctors from giving the patient labeling to males but would leave the choice to the prescribing doctor's professional judgment.

FDA says that only rarely does the need arise to administer an estrogen drug to a less than fully conscious patient, and concedes that labeling received after estrogen dosage is of less value. However, FDA believes that the labeling would still be useful in helping patients to make an informed decision about continuing estrogen therapy and assisting them to monitor possible adverse reactions.

Details—*Federal Register*: April 17, page 22752. Send comments to Hearing Clerk (HFA-305), Food and Drug Administration, Room 4-65, 5600 Fishers Lane, Rockville, MD 20857. For more information write or call Steven Unger, Bureau of Drugs (HFD-430), at the address above; telephone 301-443-5220.

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consumer comment

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